

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 INT-05 EB-07 COME-00 DOTE-00 CG-00 TRSE-00  
OMB-01 ITC-01 /073 R

DRAFTED BY EUR/CAN:DBLAKEMORE:MH  
APPROVED BY EUR/CAN:JHROUSE  
L/EUR:DGANTZ  
EB/MA:APURNELL  
SEAWAY CORP:RKRAFT  
-----051081 240116Z /61  
R 230541Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY OTTAWA

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E.O. 11652: N/A

TAGS:

SUBJECT: ST. LAWRENCE SEAWAY NEGOTIATIONS

1. CANADIAN AMBASSADOR PETER TOWE, ASSISTANT SECRETARY JULES KATZ AND SEAWAY ENTITY ADMINISTRATORS OBERLIN AND NORMANDEAU MET IN WASHINGTON JULY 19 TO COMPLETE SUBSTANTIVE DISCUSSIONS ON NEW SEAWAY TOLL REGIME.

2. AGREEMENT WAS REACHED ON LANGUAGE FOR EVENTUAL EXCHANGE OF DIPLOMATIC NOTES. IN ADDITION TO USUAL DIPLOMATIC LANGUAGE, FOLLOWING SUBSTANTIVE PARAGRAPHS ARE INCLUDED:

"I HAVE THE HONOR TO PROPOSE THAT THERE BE A MANDATORY INTERGOVERNMENTAL REVIEW EVERY THREE YEARS FOR THE PURPOSE  
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OF (A) MAINTAINING THE TARIFF OF TOLLS AND REVENUE SHARING ARRANGEMENTS AT A LEVEL SUFFICIENT TO ACHIEVE ECONOMIC VIABILITY FOR EACH SECTION OF THE SEAWAY BASED UPON RECOVERY OF ANNUAL OPERATING COSTS AND AN EQUITABLE RETURN TO THE TWO GOVERNMENTS FOR DEPRECIATION AND CAPITAL INVESTMENT, AND (B) ENCOURAGING THE OPTIMUM UTILIZATION OF THE EXISTING SEAWAY FACILITIES.

IN PREPARATION FOR SUCH REVIEW, THE TWO SEAWAY ENTITIES  
SHALL REVIEW THEIR ACTUAL AND PROJECTED REVENUES AND COSTS

AND RECOMMEND TO THEIR RESPECTIVE GOVERNMENTS NECESSARY  
REVISIONS TO THE TARIFF OF TOLLS. ONCE AGREEMENT HAS BEEN  
REACHED BETWEEN OUR GOVERNMENTS, THE ADJUSTMENTS WILL BE  
MADE EFFECTIVE FOLLOWING AN EXCHANGE OF DIPLOMATIC  
NOTES.

IN THE PERIOD BETWEEN THE MANDATORY INTERGOVERNMENTAL  
REVIEWS THE TWO SEAWAY ENTITIES SHOULD MAINTAIN  
CONSTANT SURVEILLANCE OVER ALL OF THE ECONOMIC FACTORS PER-  
TAINING TO MAINTENANCE AND OPERATION OF THE SEAWAY AND  
RECOMMEND TO THE TWO GOVERNMENTS ANY ADJUSTMENTS WHICH  
MIGHT BE REQUIRED."

3. AGREEMENT WAS ALSO REACHED ON WORDING OF PRESS STATE-  
MENT TO BE RELEASED JOINTLY BY SEAWAY DEVELOPMENT CORPORA-  
TION AND SEAWAY AUTHORITY UPON SIGNATURE OF MEMORANDUM OF  
AGREEMENT. ALL SUBSTANTIVE ISSUES REGARDING MOA HAVE  
BEEN RESOLVED BETWEEN SEAWAY ENTITIES, AND SIGNATURE IS  
EXPECTED AS SOON AS DRAFTING IS COMPLETED AND AGREEMENT  
IS REVIEWED BY THE SEAWAY ADVISORY BOARD. SIGNATURE IS  
EXPECTED IN MID-AUGUST.

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4. CANADIANS WERE INFORMED THAT PUBLIC HEARING ON AD  
REFERENDUM AGREEMENT WILL BE HELD IN WASHINGTON IN MID-  
OCTOBER. THEY DID NOT OBJECT TO THIS TIMING.

5. COPIES OF DIPLOMATIC NOTE AND PRESS RELEASE BEING  
POUCHED. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, NEGOTIATIONS, INLAND WATERWAYS, TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE172968  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DBLAKEMORE:MH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** ST. LAWRENCE SEAWAY NEGOTIATIONS  
**TAGS:** EWWT, CA, US, (TOWE, PETER), (KATZ, JULES)  
**To:** OTTAWA  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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